



March 2022



Fiscal experts in Mazars, bring you the next newsletter as a summary of legal changes published in our country.

❖ The national minimum wage increases

The basic minimum monthly salary for employees nationwide, mandatory to be applied by any person, legal or natural, local or foreign, becomes 32,000 ALL. The minimum wage is currently 30,000 ALL.

The maximum wage is indexed by the same amount for the effect of calculating social contributions. Therefore, it increases from 132,312 ALL to 141,133 ALL.

The decision to change the national minimum wage is effective from April 1st, 2022.

Source: Official Journal no. 40, dated 14.03.2022, Decision of the Council of Ministers no. 158, dated 12.3.2022, On determining the minimum wage nationwide

❖ The deadline for implementation of the updated personal income tax (PIT) scheme changes

The new PIT calculation scheme will be implemented by April 1st, 2022. It was initially determined that this change would be effective from July 1st, 2022.



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As a reminder, find below the new PIT calculation scheme:

Income from salary (ALL/ month)		Taxable income (ALL / month)		Tax rate (%) From:
From:	To (including):	From:	To (including):	
0	40,000	0	40,000	0%
40,001	50,000	0	30,000	0%
		30,001	50,000	50% * 13% of the amount over 30,000 ALL
50,001	More	0	30,000	0%
		30,001	200,000	13% of the amount over 30,000 ALL
		200,001	More	22,100 ALL + 23% of the amount over 200,000 ALL

Source: Official Journal no. 40, dated 14.03.2022, Normative act of the Council of Ministers no. 4, dated 12.3.2022, On an amendment to law no. 113/2021, "On an amendment to law no. 8438, dated 28.12.1998, "On income tax", as amended

❖ Notaries and bailiffs are included in the VAT scheme

Notaries, state and private bailiffs will have to register in the VAT scheme, regardless of their annual turnover. Thus, the minimum VAT registration limit for these taxpayers will be zero. Also, they will have to be registered for VAT, even if they carry out VAT activities exempted by the local law.

The effects of this change enter into force on March 8, 2022, immediately after the publication in the official gazette.

Source: Official Journal no. 35, dated 08.03.2022, Decision of the Council of Ministers no. 128, dated 2.3.2022, For some changes and additions to the decision no. 953, dated 29.12.2014, of the Council of Ministers, "On the implementing provisions of law no. 92/2014, 'On value added tax in the Republic of Albania', as amended

❖ Amendments to law no. 112/2020, "On the register of beneficiary owners", as amended

Considering the low number of legal entities registered with the National Business Center (NBC), which have fulfilled the obligation to register the beneficial owners according to the requirements of law 112/2020 "On registration of beneficial owners" as amended, the Council of Ministers approved a decision containing the following provisions:

Fines are forgiven in relation to the provisions of the law no. 112/2020, "On the register of beneficial owners", as amended

Penalties imposed before the date of entry into force of this decision (02.03.2022) for non-timely fulfillment of legal obligations related to the initial registration, as well as changes in the registered data of beneficiary owners, which have not been paid, are forgiven to the extent of 100%.

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Meanwhile, reporting entities, which have paid the fines forgiven according to the above provisions and have fulfilled the relevant obligations for the registration of their beneficial owners, have the right to apply to the NBC for a refund of the amounts paid.

Deadlines and fines for registration of beneficial owners (RBO) have changed

For all **directly owned** entities, the registration of beneficial owners in the RBO will be done by the BCC automatically by obtaining the necessary data from the commercial register. For entities registered before these changes were effective, the data of the beneficial owners will be completed by June 30, 2022. Meanwhile, for the entities registered after these changes are implemented, the data for the beneficial owners will be completed immediately after their registration in the commercial register.

On the other hand, for other entities find below the summary table regarding the deadlines and fines for the initial non-registration of beneficial owners:

	Deadline / Fines		
	0 – 40 days	41 – 80 days	Over 81 days
Initial registration of beneficial owners			
Subjects with indirect ownership	-	50 000 ALL	600 000 ALL
Non-Profit Organizations	-	50 000 ALL	600 000 ALL

Furthermore, in relation to changes in the beneficiary owners' data, the registration deadline and penalties for non-registration within the deadline will be applied as follows:

	Deadline / Fine	
	0 – 90 days	Over 91 days
Change of beneficiary owners data	-	400 000 ALL

Meanwhile, the fine of 150,000 ALL for the legal representative of the entity in case of non-registration of data on the beneficiary owner was removed.

Source: Official Journal no. 25, dated 15.02.2022, Law no. 6/2022, dated 27.1.2022, For some changes and additions to law no. 112/2020, "On the register of beneficiary owners", as amended.

❖ Changing business registration fines

Fines are increased from 15,000 ALL to 60,000 ALL, for declaring untrue data in the business register. Also, the same increase was made for all fines related to non-completing of the initial register and other mandatory registrations within the deadlines provided by law no. 9723, dated 3.5.2007, "On business registration", as amended.

Source: Official Journal no. 25, dated 15.02.2022, Law no. 7/2022, dated 27.1.2022, For an amendment to law no. 9723, dated 3.5.2007, "On business registration", as amended



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